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## Fifth Committee

**Summary record of the 55th meeting**
Held at Headquarters, New York, on Tuesday, 30 May 2006, at 10 a.m.

*Chairman*: Mr. Mańczyk (Vice-Chairman) ..... (Poland)
*Chairman of the Advisory Committee on Administrative and Budgetary Questions*: Mr. Saha

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Agenda item 136: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

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06-36512 (E)

*In the absence of Mr. Ashe (Antigua and Barbuda), Mr. Mańczyk (Poland), Vice-Chairman, took the Chair.*

*The meeting was called to order at 10.05 a.m.*

**Agenda item 136: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations** (*continued*) (A/60/681 and Corr.1 and Add.1, A/60/682, A/60/699, A/60/700, A/60/711, A/60/713, A/60/715, A/60/717, A/60/720 and Add.1, A/60/727, A/60/787, A/60/807 and A/60/856)

1. **Mr. Karia** (Director of the Accounts Division, Office of Programme Planning, Budget and Accounts) presented an addendum to the written responses submitted at the Committee's previous meeting, on 25 May 2006, to the questions raised by delegations regarding the Organization's fact-finding into allegations of procurement irregularities. The addendum had been distributed informally.

2. Concerning the selection of Deloitte Consulting LLP to conduct the review of the internal controls of the Procurement Service, he said that the Controller, acting as the official responsible for procurement, had requested the United Nations Development Programme (UNDP) to provide access to its list of approved management consulting firms. From that list, a shortlist of three suitably qualified firms had been selected. That procedure was in accordance with financial rule 105.17. The arrangements had been made by the Controller so as to avoid any perception of a conflict of interest that might have arisen had the Procurement Service itself been involved. A solicitation had been issued to each of the three short listed firms, with a request for quotations in line with their existing long-term agreements with UNDP. Quotations had been received from two of the three firms.

3. The technical evaluation of the quotations had been undertaken by the Office of the Controller. The quotation supplied by Deloitte, which had amounted to $449,280, plus estimated travel costs of approximately 6 to 8 per cent, had been substantially lower than the other firm's bid and more responsive to the scope of work. Following a presentation by the Procurement Service, the Headquarters Committee on Contracts had unanimously recommended approval of the Deloitte quotation. That recommendation had been accepted by an authorized official of the Office of Programme Planning, Budget and Accounts. The Controller had not considered the recommendation himself, since it was he who had made the initial request for consulting services and solicited the bids.

4. Turning to the question posed regarding authority to commission such reviews and studies, he said that, as the chief administrative officer of the United Nations, the Secretary-General was required to administer the Organization according to the highest standards of efficiency and integrity. It had therefore been his responsibility to ensure an immediate and thorough response to the problems that had arisen in procurement in mid-2005. The Deloitte review had been conducted on the authority of the Secretary-General within that framework; no separate authority had been required. The terms of reference for the review were indicated in the document distributed to delegations.

5. **Mr. Elnaggar** (Egypt) said that his delegation had not yet had time to study the information contained in the addendum but had a number of observations to make concerning the written responses submitted at the Committee's previous meeting. Regrettably, the Secretariat had not answered all the questions raised by delegations, and the answers it had provided were self-contradictory. It seemed that its main concern was to justify its own actions.

6. The clearest example of that approach was the response given to the concern expressed that senior managers had created a myth of pervasive corruption in the United Nations. Instead of responding directly, the Secretariat had sought to imply that those Member States who had raised the issue somehow supported fraud and corruption. Rather than defend wrongdoing and mismanagement, the Secretariat should follow the procedures established for dealing with them. The General Assembly, for its part, would continue to perform its oversight role in respect of all officials at all levels.

7. According to the Secretariat's written responses, the procurement activities of the Department of Peacekeeping Operations had represented only a small percentage of the transactions conducted during the period reviewed in the audit undertaken by the Office of Internal Oversight Services (OIOS). Was the Secretariat suggesting that the Assembly should not therefore examine lines of responsibility within that Department and conduct investigations accordingly?

8. Since August 2005, procurement had been under the day-to-day responsibility of the Controller. He

would be interested to know whether that had led to any conflicts of interest.

9. Concerning the Deloitte study, the Secretariat sought to defend the findings by stating that previous audits by OIOS and the United States Government Accountability Office had not identified the problems highlighted by Deloitte because they had been transaction-based. However, in his view, a transaction-based audit should be more, not less, likely to uncover fraud and corruption.

10. The Secretariat should withdraw the responses submitted on 25 May 2006, which contained opinions, not information, and answer delegations' questions in a more scientific manner.

11. **Mr. Aljunied** (Singapore) said that his delegation had a number of observations and follow-up questions regarding the written responses submitted by the Secretariat at the Committee's previous meeting. While procurement authority had not been delegated from the Office of Central Support Services to the Department of Peacekeeping Operations until 2005, the need to address the illogical and unsatisfactory arrangements that had existed until then, whereby the Assistant Secretary-General for Central Support Services had delegated procurement authority directly to procurement officers in the field despite having no managerial authority over those officers, had been recognized as far back as 2000. Limited delegation of procurement authority to the Assistant Secretary-General for Peacekeeping Operations had been granted in February 2005 but had not been accepted until June. The reluctance of the Department's senior management to accept oversight responsibility for procurement activities directly under their charge did not, however, diminish their accountability. Yet the Assistant Secretary-General for Central Support Services was being held solely responsible for the irregularities identified. Moreover, while the current incumbent of that post had been placed on administrative leave, no action had been taken against his predecessor, who had occupied the post until February 2003.

12. OIOS should explain whether it had consulted with the Office of Central Support Services in preparing the management audit of procurement, whether it had been aware of the five years of discussions regarding delegation of procurement authority to the Department of Peacekeeping Operations and, if not, how comprehensive the audit had actually been. It should also indicate whether the views of the Assistant Secretary-General for Central Support Services had been taken into account in the audit report. His delegation had been given to understand that it was for the Under-Secretary-General for Management to respond to OIOS and to incorporate responses of his managers if he so wished. If OIOS was indeed constrained by the Organization's hierarchical structure and could act only on information provided by senior managers, that would raise doubts as to its independence and its ability to fulfil its oversight role.

13. As the Secretariat had acknowledged in its responses, the Office of Programme Planning, Budget and Accounts had not fully supported the Procurement Service's requests for additional posts for 2003/04 and prior periods dating back to 2000, despite the upsurge in peacekeeping activities at that time. It would be helpful to have additional information about the specific requests made by the Procurement Service.

14. Regarding the Deloitte study, it was not clear to his delegation why the Controller had engaged an external consulting firm to undertake the review of the internal controls of the Procurement Service, instead of requesting OIOS to do so. Given the gravity of the situation, an audit should have been conducted by OIOS or the Board of Auditors as a matter of priority. The Controller had solicited bids from Deloitte and two additional consulting firms; the Secretariat should identify the other short listed firms. Noting the significance of the study's findings, he asked why they had yet to be discussed in the Committee. He also wished to know whether the Advisory Committee on Administrative and Budgetary Questions (ACABQ), OIOS and the Procurement Service had been given an opportunity to provide their views on the Deloitte report; he had raised the question previously but had yet to receive a response. If they had been afforded such an opportunity, their views should be transmitted to the Committee, together with the comments on the report submitted by the Assistant Secretary-General for Central Support Services. Lastly, the Secretariat should indicate how many of the consultants' recommendations had been implemented.

15. Regarding the Secretariat's assertion that previous audits had not identified the weaknesses highlighted by Deloitte because they had not addressed system and control issues, he asked what the purpose

of conducting audits was, if not to examine such matters.

16. He understood that Deloitte had been commissioned to conduct a study of the Office of Programme Planning, Budget and Accounts at a cost of $480,000. The Secretariat should explain why, how and on whose authority the consultants had been engaged. He also wished to know whether the study was a follow-up to the earlier review and why it could not be conducted by OIOS or the Board of Auditors. If it was a question of resources, OIOS could surely request the Assembly for additional funding to carry out the study. The hiring of the external consulting firm without any prior consultation with Member States was a clear example of the perils of allowing managerial flexibility without having adequate accountability mechanisms in place.

17. The Secretariat had cited the findings of the Independent Inquiry Committee chaired by Mr. Paul Volcker and the recent arrest and indictment of a senior procurement officer, Mr. Alexander Yakovlev, as evidence of the Organization's flawed procurement practices. However, as far as he was aware, those same practices were still being utilized. Moreover, no United Nations staff member had been charged or convicted based on the Independent Inquiry Committee's findings. Concerning the eight staff members placed on administrative leave, he asked why five months of inquiries had produced no evidence to incriminate them; why some of the staff members had yet to be interviewed; and why the investigation, which had been deemed a matter of priority, had still not been completed. The explanation provided — that another 500 cases of alleged procurement irregularities had been reported to OIOS — was not satisfactory. The Secretariat should also clarify the link made in its responses between the investigation into the eight staff members and the Yakovlev case. While confidentiality was important, it should not serve as a pretext for a lack of transparency.

18. The Secretariat had stated that the investigation must be allowed to run its course and should not be a subject of public debate. However, it was the Under-Secretary-General for Management who had discussed the draft report of OIOS with the media, painting a picture of pervasive corruption at the United Nations and giving the impression that there was irrefutable evidence against the eight staff members. There was no culture of corruption in the Organization. However, the delay in completing the investigation was symptomatic of a culture of inaction, which did the Organization's image no good.

19. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China, said that it was unusual for the Committee to be meeting in a formal setting to clarify issues with the Secretariat at the request of a delegation which had not initially raised those issues. Her delegation concurred with the point raised by the representative of Egypt, concerning the way in which the Committee normally received responses from the Secretariat and trusted that in future those procedures would be observed.

20. She requested a list of the many external audits and investigations of the United Nations procurement services that had been undertaken at the request of the Administration during the previous two years. Clarification was needed on the follow-up actions taken on the findings of those external audits and investigations. The Group of 77 and China emphasized that the commissioning of audits and investigations should not replace the oversight role performed by the General Assembly. The Assembly must be kept informed of any findings, and also of the follow-up actions taken by the Secretariat. Furthermore, it was unclear whether the various investigations and audits had been verified by either the Board of Auditors or OIOS.

21. With respect to the Deloitte report, she asked whether any action had been taken by the Secretariat to implement the recommendations contained therein. Furthermore, the Committee had been informed that there were plans to undertake a forensic audit based on the findings of the report. A status report on the forensic audit was therefore also necessary. It was unclear whether the audit was subject to the normal bidding procedures. Clarification was needed on how those actions related to the implementation of General Assembly resolution 59/288 and on what action had been taken by the Secretariat to implement that resolution. As the Assembly was the primary oversight body, its resolutions should not be replaced by findings that had not been acted on or considered by it.

22. Concerning the OIOS report on the comprehensive management audit of the Department of Peacekeeping Operations (A/60/717), information was needed on how many United Nations staff members in the Procurement Service and chief procurement

officers in the field had been interviewed during the audit in question. In addition, it was unclear how that audit related to the horizontal audit of procurement management conducted by OIOS between March and June 2005 and why the horizontal audit had not been released or shared with the General Assembly. More details were also needed on the extent to which the Administration had acted on that audit.

23. She asked for specific examples of cases where the team of auditors who had reviewed the procurement activities of the Department of Peacekeeping Operations had reviewed previous audits by OIOS and the Board of Auditors and found that a lack of compliance with recommendations had caused the Organization to suffer financial losses. Particular examples of wrongdoing, with specific references to case numbers and figures, would also be welcome. Lastly, she would appreciate receiving statistics on the number of United Nations Headquarters contracts in which disputes had arisen in the previous few years and had resulted in financial losses to the Organization, as well as an indication of the amounts involved.

24. **Mr. Mazumdar** (India) said that the information to be provided on the studies and audits conducted during the previous two years should indicate who had been responsible for commissioning them in each case. The supplementary information provided by the Secretariat on 25 May mentioned findings by the Independent Inquiry Committee of fraud within the Procurement Service. His delegation requested the Secretariat to indicate where in the Committee's report such findings had been cited, as he had not been able to locate any. The relation between the findings of that Committee and the current investigations was therefore unclear.

25. Action had been taken against eight individuals involved in 27 cases. It was unclear why no action had been taken against individuals involved in the 200 cases that had initially been taken up. The Committee had been told in February that investigations into the 27 priority cases would be concluded and a report submitted to the General Assembly by June. It had now learned that such a report would be unlikely to appear even in July. If the priority cases could not be concluded in six months, given that the procurement task force had over 500 cases before it, he wondered whether the investigations would take some 10 years to complete. Furthermore, it was not clear whether the task force was under the authority of OIOS or the Department of Management.

26. There had been an attempt to associate the entire Procurement Service with one individual, whose name was referred to repeatedly in the supplementary information. His delegation would like to know of any other evidence of wrongdoing in the Service. If the task force was unable to build a case against the eight individuals in the 27 cases, the administrative action taken against them should be withdrawn. If investigations had to be conducted into other cases, the individuals concerned should be placed on the same footing as the persons involved in the other 500 cases, who had not had their reputations tarnished without access to due process.

27. He wondered why the Secretariat, in the supplementary information, had urged Member States to share any "relevant evidence or information" with the investigators. It was unclear what kind of information was being sought, as the Committee did not have any report on the investigations.

28. Lastly, he failed to understand the statement that previous OIOS audits had been transaction-based and therefore had not evaluated the control environment. If that were the case, there would be no use for such audits. Transaction-based audits did, in fact, result in lessons learned for the control environment.

29. **The Chairman** said he had been informed that the Secretariat would be ready to provide answers and supplementary information, as requested, in informal consultations.

30. **Mr. Aljunied** (Singapore) said that he would appreciate it if the Secretariat could respond to at least some of his questions at the current meeting.

31. **Mr. Karia** (Director of the Accounts Division, Office of Programme Planning, Budget and Accounts) said that he would be able to respond fully to the questions raised after he had had an opportunity to consult with the relevant officials. He would prefer to answer the questions at a later time, in either an informal or formal setting.

32. **Mr. Elnaggar** (Egypt) said that there had been a request for the Secretariat to withdraw its previous responses and provide fresh ones which were both technically sound and informative. His delegation was not seeking the opinion of a Secretariat official on the issues raised in the Committee. The representative of

South Africa had drawn attention to a procedural matter concerning questions raised in a formal setting. Such questions should be answered in a formal setting, in keeping with the practice of the Committee. His delegation had not requested a formal meeting to discuss the issue. It had simply raised questions and looked forward to written answers. Once a single delegation had requested a formal meeting, however, it was not possible to return to informal consultations.

33. **Mr. Aljunied** (Singapore) said that he would like the Secretariat to answer the questions raised in a formal setting.

34. **Mr. Mazumdar** (India) said that he would like to know whether the Office of Legal Affairs was being investigated in one of the 27 cases previously mentioned, in which an individual was accused of disqualifying a lowest bidder with the help of the Office. He wondered whether any action had been taken against the relevant official of that Office pending the result of such an investigation. The Office should be held responsible if it had helped to disqualify a lowest bidder.

35. **The Chairman** said that there had been a request to hold another formal meeting to continue the discussion.

36. **Mr. Elnaggar** (Egypt), speaking on a point of order, said that the delegations which had raised questions had not requested that the Secretariat should answer them in a formal setting. However, having begun the discussion in a formal setting, the Committee should continue it in that setting, in accordance with its practice.

37. **Mr. Drofenik** (Austria), speaking on behalf of the European Union, said that there had already been two formal meetings on the item. Committee members should recognize that they were the masters of their own procedures. If there was no request for a formal meeting, the European Union would prefer to receive the answers in writing from the Secretariat in an informal setting in order to streamline the discussion.

38. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China, recalled that on 24 May a delegation had requested that the Secretariat should provide, in a formal meeting, written responses to questions that had been posed by the Group of 77 and China and by delegations of countries belonging to that Group. The Group itself had not made such a request, although it could have done so, in line with the practice of the Committee. The Group did not intend to delay the informal consultations on the issue or to prolong the debate. While it would have preferred to receive the answers at the current meeting, it understood that the Secretariat needed more time for consultation. In line with another delegation's request that the Secretariat's responses should be given in a formal setting, the Group asked that the additional questions raised during the current meeting should also be answered in a formal setting.

39. **Mr. Elnaggar** (Egypt) said that, unlike the representative of Austria, he did not believe that the Committee was free to do as it wished regardless of the rules of procedure.

40. **Mr. Mazumdar** (India) said that, unfortunately, various delegations had expressed their dissatisfaction with the responses to the questions raised. To give the Secretariat due process, it was only fair to allow it to provide further responses in a formal meeting.

41. **The Chairman** said that the Bureau would schedule another formal meeting to continue the discussion.

*The meeting rose at 11.15 a.m.*

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## Fifth Committee

**Summary record of the 56th meeting**
Held at Headquarters, New York, on Thursday, 1 June 2006, at 10 a.m.

*Chairman*: Mr. Ashe ..... (Antigua and Barbuda)
*Chairman of the Advisory Committee on Administrative and Budgetary Questions*: Mr. Saha

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Agenda item 126: Improving the financial situation of the United Nations (*continued*)

Agenda item 148: Financing of the United Nations Mission in Liberia

Agenda item 136: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

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06-37105 (E)

*The meeting was called to order at 10.10 a.m.*

**Agenda item 126: Improving the financial situation of the United Nations** (*continued*) (A/60/427/Add.1)

1. **Mr. Sach** (Controller) drew the Committee's attention to document A/60/427/Add.1, which contained the Secretary-General's report on the financial situation of the United Nations as at 31 December 2005 and 30 April 2006. The document contained the text of the statement that he, the Controller, had delivered to the Committee at its meeting of 24 May 2006 (A/C.5/60/SR.53). However, he wished to point out two changes made to the text. First, the figure in the second line of paragraph 14 had been changed to $233 million; it had originally been given as $277 million. Second, Switzerland had been added to the list of States that had paid in full all their due and payable assessments (paragraph 24).

2. **Mr. Drofenik** (Austria), speaking on behalf of the European Union; the acceding countries Bulgaria and Romania; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania and Serbia and Montenegro; and, in addition, Iceland, Liechtenstein, Norway and the Republic of Moldova, said that although the financial situation of the United Nations had shown a moderate improvement in recent years, the decline in the level of payments and the increase in the level of unpaid assessments were matters of concern.

3. Efforts must be made to ensure that the Organization would have the necessary funds available to meet its obligations during the second half of 2006. Over the years, the late payment and non-payment of assessed contributions had been an issue of serious concern to the European Union. Non-compliance by Member States with their financial obligations endangered the liquidity of the Organization, regularly resulting in the need to cross-borrow from closed peacekeeping operations and to delay payments to troop-contributing countries. The European Union therefore urged all Member States to make a serious effort to make their payments on time.

4. During the current part of the General Assembly's resumed session, the Committee would be presented with a detailed report on investing in the United Nations which would include, inter alia, specific measures to encourage timely payment of contributions and to improve the availability of cash for peacekeeping operations. The European Union would give positive consideration to all efforts to improve the Organization's financial situation.

5. **Ms. Soni** (Canada), speaking also on behalf of Australia and New Zealand, noted with satisfaction that the Organization's financial situation had generally been better in 2005 than in 2004. However, the general improvement should not hide the fact that the level of unpaid assessments had risen. It was encouraging that the number of Member States that had paid their regular budget assessments in full at the end of 2005 was the highest in at least five years. However, 51 Member States had chosen not to comply with their obligations under the Charter, with three Member States accounting for 85 per cent of the amounts outstanding.

6. Moreover, the situation at the end of April 2006 had not been as positive, with payments received at a much lower level and unpaid assessments much higher than at the same point in 2005. The liquidity necessary to ensure efficient, full and effective implementation of mandated programmes depended on the timely and full payment of assessed contributions. It was therefore to be hoped that Member States would fulfil their obligations under the Charter as soon as possible.

7. The situation of the peacekeeping budget was extremely poor, with nearly $3 billion outstanding at the end of 2005, and only 22 countries having paid in full. Peacekeeping missions had increased in number, size and complexity, and could not carry out their mandates effectively without sufficient resources. She urged the 169 Member States that had not yet paid their 2005 assessments to do so in full and without conditions. Failure to do so placed at risk the United Nations military and civilian personnel working in the field, as well as the people they were trying to help, and contributed to delays in reimbursing troop-contributing countries.

8. The retention of funds in the accounts of closed peacekeeping missions in order to manage cash shortfalls in other accounts continued to penalize those Member States that had paid their assessments. It represented a short-term solution which the Secretary-General was forced to use because many Member States were not meeting their obligations. If the General Assembly wished to maintain its restrictions on cross-borrowing, it must provide sufficient liquidity

for all peacekeeping missions and international tribunals so that cross-borrowing would not be necessary.

9. It was gratifying to note that unpaid assessments for the international tribunals had declined for the second year in succession. However, although the number of countries with amounts outstanding had declined since the previous year, there were still 98 Member States in that position.

10. The "honour roll" of countries that had paid their assessments in full was, yet again, lamentably short. The delegations of Australia, Canada and New Zealand looked forward to the time when such a list was no longer necessary because all Member States had fulfilled their obligations under the Charter. Until then, however, they would urge every Member State to aspire towards inclusion in the list.

11. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China, said that the Committee was discussing the financial situation of the Organization at a difficult time. On 29 May 2006, at the Special Ministerial Meeting held in Putrajaya, Malaysia, the Group of 77 and China had noted with concern that the United Nations was operating under a spending cap that limited the manner in which the Secretary-General could implement his mandates.

12. The Group remained concerned about the policy of withholding financial obligations due to the United Nations, thereby creating a linkage with the reform of the Organization. The deliberate withholding of funds budgeted for 2006 created artificial political leverage which altered the established principle that governance of the Organization should be based on the sovereign equality of Member States. The Group was deeply apprehensive about the grave implications of the spending cap for the financial health of the Organization.

13. The spending cap had been imposed on the Organization during the 2005 budget negotiations. The Group of 77 and China had made clear, at that time, that it believed that the spending cap would be automatically lifted when the Secretary-General made a request for the funds, which had already been approved. The Group had not recognized any linkage between the unprecedented, one-time decision to introduce a spending cap and the collective efforts of Member States to reform the Organization in various areas. Furthermore, the Group had been assured during the negotiations that the spending cap was not intended to harm the Organization.

14. At the Special Ministerial Meeting, the Group had reaffirmed that efforts to use the size of financial contributions to push for the adoption of certain proposals were counterproductive and violated Member States' obligations to provide resources for the Organization. Moreover, it had reaffirmed that in order to avoid a crisis within the Organization, the spending cap could be automatically lifted.

15. The Group had been encouraged to hear that the financial situation of the Organization was generally quite positive. However, the improvements were overshadowed by indications that the financial position of the regular budget at 30 April 2006 had been weaker than at the same date in 2005, even though more Member States had paid their assessed contributions in full. It appeared from the Secretary-General's report that those Member States that had imposed the spending cap were placing an additional burden on the financing of the Organization by not paying their assessments in full and on time.

16. The Group would appreciate receiving more information on the Organization's expenditure pattern over the first five months of the current year, as well as on the amount that had been spent thus far. It sought reassurances from the Secretariat that the implementation of programmes and activities funded from the regular budget had not been delayed or scaled down during 2006. It also sought assurances that funds were not being diverted from so-called non-essential activities to finance other activities. Such actions would lead to a reprioritization of the programmes and activities approved by the General Assembly in the programme budget for the biennium 2006-2007 and in the biennial programme plan. The Group wished to stress that the setting of the Organization's priorities was the prerogative of Member States, as reflected in legislative mandates.

17. The Group of 77 and China welcomed the indication that the financial situation of the two international tribunals had continued to improve. However, it was disconcerting to note that more than half of Member States had not paid their dues to one or both tribunals, in full, by the end of 2005. As a result, the tribunals remained in a difficult financial position and might have to continue with the unhealthy practice

of cross-borrowing from peacekeeping operations to provide supplementary financing in 2006.

18. With regard to the amounts owed to troop and equipment contributors, the Group welcomed the indications that payments made by the Secretariat had exceeded the projections made in October 2005, thereby reducing to $695 million the debt owed to Member States. However, that amount was still high. Every effort should therefore be made to reduce further the amounts owed to Member States while recognizing that certain factors might affect the Secretariat's ability to reimburse Member States in a timely manner.

19. The Group wished to reaffirm its commitment to meeting its legal obligations to bear the expenses of the Organization, in accordance with the Charter, and urged other Member States to join it in placing their commitment on record. Furthermore, while recognizing the need to extend sympathetic understanding to those Member States that were temporarily unable to meet their financial obligations as a consequence of genuine economic difficulties, the Group urged all Member States to pay their assessed contributions in full, on time and without conditions.

20. **Mr. Torrington** (Guyana), speaking on behalf of the Rio Group, said that the Secretary-General's report was a sobering reminder that the achievement of the shared ambitions of Member States was heavily dependent on the financial health of the Organization. Even though the Organization's financial position at the end of 2005 had generally been quite positive, much work remained to be done.

21. The Rio Group was heartened to see that a larger number of Member States had met their financial obligations in full. However, the Secretary-General's report made clear that the Organization's overall financial situation was fragile. The current part of the General Assembly's resumed session provided a significant opportunity to update the systems, processes and institutions of the United Nations by implementing wide-ranging and comprehensive reforms. Member States should seize that opportunity by ensuring that the Organization was provided with the necessary resources in a predictable and sustainable manner.

22. The Group called on all Member States to pay their assessed contributions in full and on time, although it was aware that some developing States were unable to do so because of difficult economic circumstances. In order to improve fiscal propriety in the Organization, it was essential to make the implementation of mandates more effective and efficient. The United Nations must therefore be provided with reliable and predictable resources, and should not be constrained by artificial spending limits.

23. The continued reduction in delays in reimbursements to troop-contributing countries was encouraging. However, further efforts must be made by several peacekeeping missions, such as the United Nations Interim Administration Mission in Kosovo (UNMIK) and the United Nations Mission for the Referendum in Western Sahara (MINURSO), in order to avoid the need to resort to cross-borrowing.

24. **Mr. Kozaki** (Japan) said that his delegation took note of the statement by the Controller on 24 May that the financial situation of the United Nations at the end of 2005 had generally been quite positive, but that the Organization still had a long way to go to achieve sound financial health. The commitment of Member States to pay their assessed contributions was essential in order to improve the Organization's financial situation. Japan, for its part, would continue to make every effort in that regard. It was equally important to maintain budgetary discipline; accordingly, Member States should exercise appropriate judgement when establishing new mandates with resource implications and when deciding what constituted an efficient and effective use of resources. The current discussions on management reform and mandate review were therefore vital. His delegation would continue to participate actively and constructively in those ongoing endeavours.

25. **Mr. Cho** Hyun (Republic of Korea) said that his delegation was pleased to see signs of improvement in the Organization's financial situation, particularly the improvement in its cash position across all areas. The lower level of unpaid assessments for the tribunals and for the regular budget was another positive development, and he hoped that the level of outstanding debt to Member States would continue to fall.

26. Despite those signs of improvement, the future remained uncertain. As repeatedly noted in the Secretary-General's report, the bulk of the outstanding assessments in every category was owed by a small number of Member States on which the United Nations was particularly dependent. It should be recalled that

payment of assessed contributions was a responsibility of Member States and that the Organization could implement Member States' decisions only if it was provided with the necessary resources. His delegation hoped that as the reform process moved forward, all Member States would feel increasingly confident that their contributions were being well spent.

27. The Republic of Korea acknowledged its own responsibilities in that regard. Because of rapid increases in both the peacekeeping budget and his country's share of it, the Republic of Korea had been unable to keep up with its assessed contributions for peacekeeping operations. However, after consultations among the various ministries concerned, his Government had developed a payment plan that would allow it to keep pace with future contributions while paying all outstanding peacekeeping assessments by the end of 2008. The Republic of Korea remained fully committed to multilateralism and to the United Nations, and regarded its financial and other responsibilities to the United Nations with the utmost seriousness.

28. **Mr. Mazumdar** (India) said that because of several factors that had influenced the Committee's debate over the last few months, the Committee's current discussion of the financial situation of the Organization was totally irrelevant. It was odd that the Controller, in his statement on the financial situation of the United Nations, had made no mention of the single biggest issue affecting that situation: the spending cap imposed by Japan and the United States of America, with significant support from the United Kingdom acting on behalf of the European Union. That had opened up a new source of conflict between Member States, to the detriment of decision-making by consensus. It had also raised serious constitutional and other issues. First, those Member States which refused to lift the spending cap automatically by the end of June 2006 would be in violation of the Charter of the United Nations. The General Assembly had approved the budget for the biennium 2006-2007, and no restriction could be placed on meeting the expenditures of the Organization without violating the Charter.

29. Second, whereas his Government, like many others, had paid its assessed contribution to the Organization in full for the entire year, those Member States that had imposed the spending cap had not, and therefore had no right to determine whether the contribution of the Government of India to the United Nations could or could not be utilized by the Secretary-General.

30. Third, his Government refused to believe that the spending cap would have no effect on the work of the Organization. It might be asked whether, if the budget appropriation were to be neatly divided into four parts, the Organization could work seamlessly from one half-year to the next, without disruption. That question should be addressed by the Committee, and he therefore requested that informal consultations should be scheduled on the financial situation of the United Nations.

31. **Mr. Rahman** (Malaysia) said that it was imperative to provide the United Nations with predictable, stable and adequate funding in order to ensure its efficiency and smooth functioning. His delegation was delighted to note the positive developments in the payment of assessed contributions to the regular budget as at 31 December 2005. However, the financial position of the regular budget on 30 April 2006 had been weaker than at the same stage in 2005. In view of the constraints and uncertainties of the current financial situation, Malaysia fervently hoped that all Member States would pay their assessed contributions to the Organization in full, on time and without conditions.

32. The improvement in the financial position of peacekeeping operations was encouraging. It was vital to provide adequate resources and tools to peacekeeping operations so that they could carry out their mandates effectively and successfully. His delegation hoped that the progress achieved in resolving the financial situation of the international tribunals would be continued.

33. The 2005 World Summit Outcome stressed the need to revitalize the Organization so that it could address global challenges and regain the confidence of the global community, and proposed a series of reform measures aimed at providing the Organization with the necessary resources. His delegation firmly believed that reform was a gradually evolving process which should be based on the collective views of all Member States, in line with the principle of sovereign equality.

34. Malaysia hoped that the decision taken in December 2005 to impose a six-month spending cap would not set a precedent and that Member States would be able to adopt a budget for the remainder of the 2006-2007 biennium. All decisions should be

carefully studied in order to avoid any consequences that would further undermine consensus among Member States.

35. It was essential to put the United Nations on a healthy and stable financial footing in order to ensure that all operations were carried out within the expected time frames, and in an efficient manner. His delegation was aware of the difficulties faced by some Member States in settling their arrears, but trusted that the Member States concerned would honour their commitments and settle their arrears without conditions.

36. **Mr. Hussain** (Pakistan) said that, despite some improvement in the Organization's financial situation, its future was still uncertain. His delegation would carefully review the statement expected at the end of June 2006, which would provide firm data regarding the current and future situation.

37. The payment of contributions in full and on time, in accordance with capacity to pay, was a fundamental obligation of Member States to the United Nations and must not be used as a bargaining chip, even for ostensibly noble purposes such as reform. Such conditionality was not justified on any grounds. He agreed with the representative of India that it was not only unconstitutional, but also violated the rights of States such as Pakistan that had paid their contributions in full. It was not right that funds should be withheld at the insistence of States that had not even settled their own accounts.

38. The huge amounts outstanding in both the regular budget and peacekeeping accounts were indeed disturbing and had serious implications for the creation of new mandates and the implementation of existing ones. The absence of financial support forced the Organization to resort to emergency measures such as cross-borrowing, delayed payments to troop-contributing countries and jeopardized programmes relating to development and social issues that were of interest to a large part of the membership. It also seriously constrained the Secretary-General and his team in ensuring effective delivery of mandated tasks and undermined the implementation of agreed mandates, particularly those of priority to developing countries. His delegation welcomed the Secretary-General's innovative proposals to ensure payment from States which, without any valid reason, had started a policy of withholding their contributions, and hoped that a consensus would emerge on those proposals.

39. Calls for reform should go hand in hand with the timely payment of contributions. The policy of pushing for reform while at the same time not settling outstanding contributions was ironic and contradictory. The only area requiring urgent and immediate reform was that one, in order to place the United Nations on a solid financial footing. The focus on other areas seemed to be a cunning means of evading those issues that really harmed the Organization and prevented it from delivering mandates that were of interest to everyone. He hoped that reform efforts would move in that direction, instead of stirring up contentious issues which were not leading the Committee to any kind of consensus.

40. **Mr. Berti Oliva** (Cuba) said that, owing to external factors beyond its control, his delegation had been unable to prepare a formal statement for the current meeting. He therefore requested that the discussion of the agenda item should be kept open. His delegation would be ready to make a formal statement the following week.

41. **Mr. Drofenik** (Austria), speaking on behalf of the European Union and responding to the statement made by the representative of India, said that limited spending authority was just one of many elements contained in General Assembly resolution 60/247 on the programme budget for the biennium 2006-2007. The resolution struck a balance among the interests of different Member States and had been adopted by consensus. As far as he recalled, not a single delegation had refrained from joining the consensus. The notion that limited spending authority had been imposed by some Member States, or a group of Member States, was therefore simply incorrect.

42. His delegation had reservations about holding informal consultations on the financial situation of the United Nations when it did not know what exactly would be discussed. For many years, it had been the Committee's practice not to hold informal consultations on the issue. Moreover, if he recalled correctly, when a similar request had arisen at a previous Bureau meeting, it had been turned down. Since a new request for informal consultations had been made, it might be a good idea to organize a Bureau meeting to discuss the issue.

43. **Mr. Muhith** (Bangladesh) said that his delegation welcomed the fact that the financial situation of the Organization at the end of 2005 had been more or less positive, but had also taken note of the Controller's comment that the Organization had a long way to go before it would have a clean bill of financial health. As a State that had always paid its assessed contributions to both the regular budget and peacekeeping accounts in full and on time, Bangladesh was concerned about the adverse situation created by the non-payment of contributions. Member States should pay their contributions in full, on time and without conditions, in keeping with their Charter obligations. Nevertheless, States that were temporarily unable to fulfil their financial obligations for reasons beyond their control should be given sympathetic consideration through the established procedures.

44. As for peacekeeping operations, his delegation was pleased that the amount owed to troop-contributing countries had fallen. However, it expected further improvement and hoped that the practice of cross-borrowing would not make the situation worse.

45. **Mr. Sun** Xudong (China) said that the time had come to discuss the removal of the limitation placed on the Secretary-General's spending authority.

46. **Mr. Mazumdar** (India) said that he was amazed by the statement made by the representative of Austria on behalf of the European Union that a spending cap had been imposed at the unanimous wish of the entire membership. While it was true that the spending cap was mentioned in a General Assembly resolution, his delegation had made it clear that it had been a condition imposed by a small group of countries on all the others. If there was any doubt on that score, he would refer the representative of Austria to the statements issued by the Movement of Non-Aligned Countries and the Group of 77 in Putrajaya, Malaysia.

47. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China, said that it was not helpful to selectively recall the events of December 2005. Given the other comments that had been made, she felt obliged to reiterate the position of the Group of 77 and China, as expressed by the representative of Jamaica, the Group's former Chair, upon the adoption of General Assembly resolution 60/247. At the meeting in question (A/60/PV.69), the Group had made it very clear that it had been faced with a very difficult choice. It could have called for a vote, thereby placing the United Nations in a financial crisis, but that would not have been useful to the Organization or to collective efforts to reform it. It had therefore reluctantly accepted the proposal to impose a spending cap, on the understanding, based on assurances given behind closed doors, that the spending cap would automatically be lifted and that the intention was not to harm the United Nations or reopen the budget. South Africa, in its national capacity, had also clearly stated that it found itself in a very unfortunate situation in which, despite very strong reservations, it had decided not to call for a vote.

48. All of the Assembly's resolutions must be implemented, regardless of how they had been adopted. Resolution 60/247 stated very clearly that when the Secretary-General submitted a request, he would receive the funds. It was also the understanding of the Group of 77 and China that it would happen automatically, and that it was a one-time, unprecedented measure that would not be repeated. Since the resolution and the Group's understanding of it were very clear, it did not seem necessary to embark on a lengthy discussion of the issue at the current stage.

49. **Ms. Taylor Roberts** (Jamaica) said that the representative of South Africa had very accurately described the events of December 2005. The issue of the spending cap was critical to any discussion about the financial situation of the Organization. Although the representative of South Africa had said that the Group of 77 and China had "reluctantly accepted" the proposal to impose a spending cap, in fact the Group had directly opposed it, in negotiations that had gone on well into the night. The Group of 77 and China, which comprised 132 States, could have called for a vote to oppose a provision that was totally against the spirit of the Charter. However, it had not done so, and the resolution had been adopted. It was important to note the resolution's clear indication that when the Secretary-General submitted a request for funds, it would be approved.

50. One of the reasons why it was necessary to oppose the practice of having small groups adopt decisions or "agreed recommendations", as proposed in the Secretary-General's reform report (A/60/692), was that the commitment given behind closed doors — that the spending cap was not linked to reform but was merely symbolic, and that it had not been intended to hurt the Organization — had been immediately

revoked in statements made in the plenary. The decision had been imposed through blackmail by States that held control of the purse. The Group had squarely opposed the spending cap, but had not sought a vote, as there had been much political pressure and talk of bringing down the Organization. The Group had yielded on that occasion, but would not do so again.

51. If anyone wished to have a copy of the statement made by the Group of 77 and China upon the adoption of the resolution by the General Assembly, she would be pleased to provide one.

52. **Ms. Shah** (United States of America), reserving her delegation's right to speak on the issue at a future meeting, said that the representative of Austria, speaking on behalf of the European Union, had been correct in stating that resolution 60/247 had been adopted by consensus. Moreover, her delegation did not understand the need to hold informal consultations on the subject under the current agenda item, as it could not see what would be accomplished.

53. **Mr. Berti Oliva** (Cuba) said that, in line with its long-held position, his delegation fully supported the request made by the representative of India for informal consultations on the issue.

54. **Mr. Drofenik** (Austria) said that he had been misquoted. He had not said that the limit on spending authority had been supported by all States. He was well aware that each country or group of countries supported some parts of the resolution more, and others less. He was also fully aware of the position of the Group of 77 and China on the matter. However, the notion that the limited spending authority had been imposed was incorrect. It had been the outcome of an attempt to balance various interests in the resolution, which had been adopted by consensus.

55. **Mr. Hussain** (Pakistan) said that his delegation supported the request for informal consultations on the subject. He noted that the second statement made by the representative of Austria had been more accurate than the first.

56. The representatives of Jamaica and South Africa had correctly stated that December 2005 had been a very difficult moment. To demonstrate their good faith, and at the request of the Secretary-General, the Group of 77 and China had agreed to a one-time, unprecedented, temporary measure in order to avoid a very serious crisis. He had hoped that the European Union, at least, would share that understanding of the spending cap and that, as implied in the resolution, when the Secretary-General requested expenditure of the remaining funds, his request would be approved. However, some of the comments made at the current meeting suggested that the Organization was heading towards a very serious financial situation and that the spending cap had not been an ad hoc confidence-building measure, but part of a deliberate plan which would undermine trust among States. Thus, States would be more cautious in the future about agreeing to proposals that were unacceptable to them and would not so readily believe assurances which were not matched by action. He hoped that, when the time came, the Committee would approve the request of the Secretary-General for expenditure of the remaining funds with no further conditionality, which would merely undermine the normal pattern of work of the Assembly.

57. **Ms. Udo** (Nigeria) said that her delegation endorsed the request to keep the agenda item open and would be making a formal statement on the issue at a future meeting. She noted that the second statement by the representative of Austria had modified the first one. Delegations should therefore focus on the second statement. She welcomed the offer by the Jamaican delegation to circulate the statement made on behalf of the Group of 77 and China at the end of the budget negotiations in late 2005, as it would help put the discussion in the correct light.

58. Her delegation shared the sentiments expressed by the representative of India, as endorsed by several other speakers before her. She strongly cautioned against the conduct of small group discussions behind closed doors, since they always give rise to several versions of what had actually transpired, and led to discussions such as the one taking place at the current meeting. The practice must therefore stop. Each Member State should be able to speak for itself.

59. **Mr. Kozaki** (Japan) said that he did not wish to reiterate his delegation's position again. The record of the previous year's meeting was available for anyone wishing to consult it. The current discussion, which would clearly take a long time, was not constructive, given the unpropitious atmosphere in the Committee. While dialogue was important, delegations should seek to have the best possible dialogue.

60. **Mr. Mazumdar** (India) said that civility had always been a hallmark of the Committee. He therefore wished to gently caution the representative of Austria about his choice of words.

61. The representative of Austria had made a very spirited attempt to defend the indefensible; however, the statements made by the representatives of Nigeria and Jamaica and by the representative of South Africa on behalf of the Group of 77 and China spoke for themselves. The representative of Japan had rightly spoken of the need for dialogue. He sincerely hoped that it would not be a "dialogue of the deaf", as it was proving to be.

62. **Mr. Elnaggar** (Egypt) said that it was important for the Committee to discuss the spending cap. The General Assembly had indeed adopted resolution 60/247 by consensus, but the consensus had been reached at gunpoint. He was pleased that, under the terms of the resolution, at the request of the Secretary-General the Assembly would automatically lift the spending cap, also by consensus. The real question was not whether but when it would be appropriate to lift the cap. The Committee could not wait until the eleventh hour to take up the matter. A number of delegations, including his own, had expressed the wish to make statements on the issue in a formal setting. The item should therefore remain open, and the request for the holding of informal consultations on the item should be given serious consideration.

63. **Mr. Sach** (Controller) said that the Secretariat and, he believed, the entire membership fully endorsed the sentiments expressed at the Special Ministerial Meeting of the Group of 77, where the participants had reaffirmed the need to act in order to avoid a crisis at the United Nations. However, the question of the spending authority granted to the Secretary-General was not central to the item under consideration. The matter would be taken up under agenda item 124, "Programme budget for the biennium 2006-2007", the General Assembly's decision to restrict the Secretary-General's spending authority having been taken in the context of resolution 60/247 A on the biennial budget. In paragraph 3 of that resolution, the Assembly authorized the Secretary-General, while adhering to the existing procedures regarding the annual assessment on Member States, to enter into expenditure of a first tranche, limited to $950 million, as an exceptional measure. In order to ensure the availability of resources for programme delivery, the Assembly would act in response to a request from the Secretary-General, at an appropriate time, for expenditure of the remaining funds.

64. In that context, the Secretariat was monitoring the financial situation of the United Nations very closely. He had taken note of Members' interest in receiving additional information on the expenditure pattern over the last five months. Currently, such data were not available for the Organization as a whole. However, the Secretariat had examined very carefully the data it had and had concluded, based on the expenditure pattern of the first four months of 2006, that the resources available under the terms of resolution 60/247 A would be sufficient to meet the Organization's needs up to the end of June and during the first part of July. It would strive to update the expenditure data for the first five months of 2006 as quickly as possible. Firm figures should be available later in the month, and the Secretariat would then have a good basis for projecting expenditure for June. At that point, a report would be issued to Member States and the necessary recommendation regarding resources would be made. It was to be hoped that the Organization could then revert to a more normal pattern of financial control.

65. One delegation had sought reassurance that no programme funded from the regular budget had been delayed or scaled down in 2006. Financial control was more challenging over a 6-month period than over a 12-month period. Nevertheless, it was both feasible and appropriate to monitor expenditure carefully. By identifying programmes that spent faster than average and those that spent more slowly, the Secretariat had been able to avoid having to make transfers from non-essential to essential expenditure and had succeeded in carrying out normal operations during the first half of 2006 within the framework established in resolution 60/247 A.

66. He emphasized that, while the spending cap was a constraint on the efficient operation of the Organization, it was not the most binding constraint facing the Secretariat, as it could be lifted by a decision of the General Assembly. The real constraint was lack of availability of cash; the Organization could not spend what it did not have. As stated in document A/60/427/Add.1, as at 30 April 2006, unpaid regular budget assessments had amounted to $1.2 billion. The lifting of the spending cap would not of itself solve all the Organization's financial problems. That would require assessments to be paid in full and in a timely

fashion. At the end of April, regular budget cash resources had stood at $380 million. That was sufficient for just over two months' expenditure. In addition, there were reserves totalling $317 million in the Working Capital Fund and the Special Account, which would cover the Organization's expenditure up to the beginning of September.

67. The problem of unpaid assessments must be addressed. Indeed, it was the focus of the discussions under agenda item 126, "Improving the financial situation of the United Nations". That did not mean that the issue of the spending cap was not important. However, that matter would be considered under agenda item 124 later in the month, when all the relevant information was available.

68. **Mr. Saizonou** (Benin), speaking as the Vice-Chairman of the Committee, said that the information provided by the representative of Austria concerning the recent Bureau meeting was inaccurate. At no point had the Bureau decided that no informal consultations should be held on agenda item 126.

69. **Mr. Mazumdar** (India) said that the Controller appeared to have been speaking in earnest when he had asserted that the issue of the spending cap had no bearing on the financial situation of the United Nations. His delegation, however, remained convinced that the issue needed to be discussed. It would have no objection should the Committee wish to consider agenda items 124 and 126 together.

70. **Mr. Elnaggar** (Egypt) said that it was unacceptable for Secretariat officials to make pronouncements on decisions taken by Member States and on their sovereign right to discuss any issue at any time. His delegation wished to discuss the question of the spending cap and would do so irrespective of whether that was to the liking of those officials and whether they chose to take sides. The Secretariat must, nevertheless, abide by the principles of impartiality and neutrality. The Controller had stated that the spending cap was a non-issue. His delegation would like the Secretariat to confirm in writing that that was the case. If the real financial problem facing the Organization was indeed non-payment of assessed contributions, the Committee should consider the matter and take a decision thereon. Lastly, he called on the Secretariat to submit, in a formal setting, written responses to the questions raised by the Group of 77 and China.

71. **Mr. Drofenik** (Austria) said that he regretted his earlier choice of words and trusted that the professional atmosphere in which the Committee usually conducted its work could be restored.

72. **Mr. Sach** (Controller) concurred that it would be totally unacceptable for a Secretariat official to make suggestions concerning the issues that the Committee could or could not discuss. However, he had made no such suggestion. In his earlier remarks he had sought to explain why the question of the spending cap had not been addressed in the report before the Committee. He had not used the word "non-issue". Rather, he had stated that the Organization faced two distinct financial problems — the lack of availability of cash and the spending cap — each of which related to a separate agenda item. While the cap was subject to legislative remedy, the problem of unpaid assessments was not. It was an important issue that must be taken into account in considering the financial health of the United Nations.

**Agenda item 148: Financing of the United Nations Mission in Liberia** (A/60/645, A/60/653 and Corr.1 and Corr.2 and A/60/852)

73. **Ms. Pollard** (Director of the Peacekeeping Financing Division) introduced the performance report on the budget of the United Nations Mission in Liberia for the period from 1 July 2004 to 30 June 2005 (A/60/645) and the budget for the Mission for the period from 1 July 2006 to 30 June 2007 (A/60/653 and Corr.1 and Corr.2). The General Assembly had appropriated an amount of $821.9 million for the maintenance of the United Nations Mission in Liberia (UNMIL) for 2004/05. Total expenditure for the period had amounted to $740.9 million, leaving an unencumbered balance of $81 million. The lower-than-projected expenditure was attributable to reduced requirements under air transportation, owing to the non-utilization of one helicopter and a prolonged period of inclement weather; the purchase of rations for less than the budgeted amount and earlier-than-anticipated deployment of contingent-owned equipment, the cost of which had been charged to the previous financial period; higher vacancy rates for international staff, due to delays in recruitment; reduced requirements for generator fuel and rental of premises; and lower fuel consumption, owing to fewer miles driven than budgeted, as roads had been damaged in the rainy season.

74. In the light of the provisions of General Assembly resolution 60/255 concerning liabilities and funding for after-service health insurance benefits, the proposal made in the report regarding the treatment of the unencumbered balance required modification. Accordingly, the draft resolution on the financing of UNMIL would reflect the credit to Member States, in a manner to be determined by the General Assembly, of an amount of $108.3 million, comprising the unencumbered balance of $81 million and other income of $27.3 million.

75. The proposed budget for the Mission for the period from 1 July 2006 to 30 June 2007 (A/60/653 and Corr.1 and Corr.2) amounted to $716.8 million, representing a reduction of $5.6 million, or 8 per cent, compared with the appropriation for the current period. That was mainly attributable to lower requirements under facilities and infrastructure, owing to the relinquishment of premises rented for election preparations, and reduced requirements for the acquisition of vehicles.

76. The actions to be taken by the General Assembly were outlined in paragraph 32 of the report. However, in the light of the provisions of resolution 60/255 concerning liabilities and funding for after-service health insurance benefits, the draft resolution on the financing of UNMIL would reflect the exclusion from the amount to be appropriated for the maintenance of the Mission for 2006/07 of a related provision included under common staff costs and equivalent to 4 per cent of total net salaries.

77. **Mr. Abraszewski** (Vice-Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ)), introducing the related report of ACABQ (A/60/852), said that the Advisory Committee recommended a small reduction in the budget proposed for the Mission for 2006/07, relating to a request made for the establishment of one P-3 post for a Legal Officer. The Advisory Committee was concerned about the treatment in the budget proposal of positions funded from general temporary assistance. Regarding quick-impact projects, it believed that, in keeping with the original intent for such projects, overhead costs should be kept to a minimum. To that end, it requested that the number and level of posts in the Quick-Impact Projects Unit should be reviewed and that efforts should be made to identify implementing partners, including locally, in order to share the burden of the costs of administering projects.

78. **Ms. Udo** (Nigeria), speaking on behalf of the African Group, said that the Group attached great importance to UNMIL. Unfortunately, it could not take a position at the current time on any of the recommendations put forward in the report of the Advisory Committee, because it had not had sufficient time to consider it. She therefore reserved the right to revert to the item, including in a formal statement before the Committee.

79. Having glanced at the report, she had noted a few issues which the African Group would have wished to discuss and which she would be highlighting in informal consultations. She reiterated the Group's position originally stated at the Committee's 52nd meeting, that the successful implementation of the drawdown phase of the United Nations Mission in Sierra Leone (UNAMSIL) and the manner in which that Mission continued its work should serve as an example to be applied to other missions, particularly UNMIL.

80. The Group also took note of the proposed conversion of several positions recommended in the report, as well as the strong views expressed by the Vice-Chairman of the Advisory Committee on the funding of quick-impact projects. The Group would give its opinion on those and other issues on a subsequent occasion.

81. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China, expressed the Group's firm support for the activities of UNMIL. During the current negotiations, it would make every effort to ensure that the Mission received adequate support. UNMIL was at a very crucial juncture of its operations, and the Group would not support any decisions which might have a negative impact on the effective functioning of the Mission. The Group also reserved the right to express its position on the comments made by the Advisory Committee either in informal consultations or in a formal meeting.

82. With regard to procedure, as an exceptional measure the Group could agree to the proposal to proceed with informal consultations on the understanding that delegations would have an opportunity to make statements on UNMIL in a formal setting. Moreover, the need to give delegations sufficient time to consider the relevant reports should be taken into account in the scheduling of future meetings.

83. **Mr. Sena** (Brazil), aligning himself with the statement made by the representative of Nigeria on behalf of the African Group, said that his delegation would also like to reserve the right to state its position on UNMIL, which it fully supported. His delegation had not had sufficient time to consider the recommendations of the Advisory Committee carefully, although the report did raise some questions. Further information was needed, for example, on the recommendations regarding quick-impact projects. The item under discussion had a bearing on the image of the United Nations and was important for the success of other missions.

**Agenda item 136: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations** (*continued*) (A/60/681 and Corr.1 and Add.1, A/60/682, A/60/699, A/60/700, A/60/711, A/60/713, A/60/715, A/60/717, A/60/720 and Add.1, A/60/727, A/60/787, A/60/807 and A/60/856)

84. **Mr. Karia** (Director of the Accounts Division, Office of Programme Planning, Budget and Accounts) presented additional information requested by delegations regarding the Organization's fact-finding into allegations of procurement irregularities. With respect to the possible conflict of interest when the Controller was responsible for procurement, he said that there was a potential conflict in control environments whenever a person proposing an action would be engaged in the subsequent approval of administrative steps to implement it. Therefore, in situations in which the Controller requisitioned procurement actions, he or she should not be the addressee of any related recommendations by the Headquarters Committee on Contracts. Accordingly, the Controller should not, and did not, approve any of that Committee's recommendations for requisitions by the Office of Programme Planning, Budget and Accounts; that policy fully safeguarded that Committee's independent role within the procurement cycle. That policy also applied to any requisitions made by a chief procurement officer, regardless of whether the person acting in that capacity was the Assistant Secretary-General in the Office of Programme Planning, Budget and Accounts or the Office of Central Support Services.

85. Concerning the action taken by the Secretariat to implement the recommendations in the report prepared by Deloitte Consulting LLP, the Procurement Service management had already undertaken a number of actions which the consultants had deemed to require immediate attention. Those actions were fully reported in the forthcoming report on procurement, which would be presented to the Committee later in June.

86. A question had been raised on the relationship between the Deloitte study and General Assembly resolution 59/288 and on the action taken by the Secretariat to implement that resolution. The review of internal controls conducted for the Procurement Service had not been related to resolution 59/288. Actions taken by the Secretary-General to implement the resolution would be detailed in the aforementioned report on procurement.

87. A request had been made for statistics on United Nations Headquarters contracts in respect of which disputes had arisen in the past few years and had resulted in financial losses to the Organization. Information on contract disputes was being compiled with the assistance of the Office of Legal Affairs and would be provided in due course. On the question of who had commissioned the individual studies on procurement, all such studies commissioned by the Secretariat were requested under the authority of the Secretary-General.

88. One delegation had asked the Secretariat to indicate where, in the report of the Independent Inquiry Committee, reference was made to findings of fraud within the Procurement Service. It had also requested clarification of the relationship between that Committee's findings and the current investigation. The references to procurement irregularities appeared in the interim reports dated 2 February 2005, 29 March 2005 and 8 August 2005. It had been found that the selection of contractors did not conform to established financial and competitive bidding rules and that there had been consistent violations of prescribed procurement procedures, unfair practices and a failure to appropriately document decision-making processes; those findings were reflected on pages 16, 17, 18, 109 and 110 of the interim report dated 2 February 2005. Moreover, page 72 of the interim report dated 8 August 2005, indicated that a bribe had been solicited by Mr. Yakovlev. The relationship between the Independent Inquiry Committee findings and the current investigation was that the investigation had been launched following the guilty plea of Mr. Yakovlev, which had resulted from a criminal

investigation based upon evidence provided in the Committee report.

89. With respect to the question raised about comments by senior officials that tended to discredit the United Nations, damage done to the Organization's reputation was difficult to assess in objective terms, as it was in many ways a matter of perception. Responsibility for the damage could not be determined in any case until all ongoing investigations were completed.

90. With respect to the kind of information that had been sought by the Secretariat from Member States, investigators had to seek information from many parties, including, among others, Member States and their law enforcement authorities. The Secretariat had urged Member States to share information, as it recognized how essential and useful such cooperation could be.

91. It had been asked why the Under-Secretary-General for Management had purportedly shifted responsibility for procurement irregularities from the Department of Peacekeeping Operations to the Office of Central Support Services and the Assistant Secretary-General in the Office. No responsibility had been shifted and any determination of such responsibility would have to await the outcome of ongoing investigations. Likewise, no one had been blamed or disciplined.

92. The Secretariat had been requested to provide details on the specific additional staff requests made by the Procurement Service for the period 2003/04 and prior periods going back to 2000. While the Service had sought 5 additional posts in 2002/03, 1 post had been approved by the General Assembly. At the same time, other areas of the Department of Management had sought 26 additional posts and the Assembly had approved 9 of the 10 positions submitted to it. For 2001/02, the Procurement Service had sought 4 posts, all of which had been supported by the Department of Management, but the General Assembly had approved none of them. For 2000/01, the Service had sought 25 posts; 3 had been supported by the Department, and the Assembly had again approved none of them.

93. Another question related to why the Controller had sought bids from consulting firms that had long-term agreements with the United Nations Development Programme (UNDP). The aim had been to arrange for a systems study conducted by experts in procurement. That had not involved either an audit or an investigation and, as such, had not fallen within the scope of either the Office of Internal Oversight Services (OIOS) or the Board of Auditors. The firms which had been shortlisted were Accenture, Arthur D. Little of Sweden and Deloitte Consulting.

94. With respect to the status of the Deloitte report, a more comprehensive analysis of the status of the recommendations contained therein would be provided in the comprehensive procurement report to be submitted to the General Assembly in the near future. It had been asked whether the Committee could be provided with a copy of the views of the Assistant Secretary-General in the Office of Central Support Services on the Deloitte report. It was not possible, as the comments of the Department of Management had already been provided to Deloitte.

95. As to whether the Deloitte study on procurement had been the only such study, the Deloitte study had been the only one that had reviewed the Procurement Service's internal controls in depth. A procurement study conducted by the National Institute of Governmental Purchasing had not focused on internal controls.

96. Concerning the reasons why the Deloitte report was being used as a reference point, it was the most thorough and up-to-date review available of the Procurement Service's internal controls. As Deloitte had specifically addressed internal controls, the use of its findings as a benchmark to further improve the internal controls within the Procurement Service was a prudent risk-management strategy.

97. Concerning the Deloitte study of the Office of Programme Planning, Budget and Accounts, the study had been commissioned by the Secretariat following repeated requests by the General Assembly, on the recommendation of ACABQ, that an external review should be conducted of the Accounts Division. The scope had been broadened to cover the entire Office because such an external review had not been done for many years. There had been a competitive bidding process under established rules and procedures. The study would not fall within the province of OIOS or the Board of Auditors, as the request from the Advisory Committee had been for an external study.

98. Lastly, he drew attention to the written supplementary information, which provided responses

by the Audit Operations Committee of the Board of Auditors.

99. **Mr. Knutsen** (Officer-in-Charge of the Internal Audit Division, Office of Internal Oversight Services) said that OIOS would be providing the Committee with a comprehensive update on the recommendations it had made in the management audit of the Department of Peacekeeping Operations. The audit had been instrumental in highlighting the roles that oversight could play in improving the work of the Organization and enhancing its efficiency and effectiveness.

100. Some delegations had raised questions that warranted serious and frank discussion of the roles of management, internal audit, the Board of Auditors and other external review entities in improving the overall internal control environment of the Secretariat. Some of the OIOS findings and methods had been challenged in the process. OIOS did not agree with the comments which questioned the professionalism of its audit work and, in particular, the Department of Peacekeeping Operations comprehensive audit.

101. OIOS, along with other United Nations internal audit bodies, had adopted the Professional Practices Framework of the Institute of Internal Auditors as its modus operandi. One of the standards established in that framework was that in performing their work internal auditors should be independent and objective. In conducting the comprehensive Department of Peacekeeping Operations management audit, OIOS had fully met that standard.

102. There had also been some questions regarding the OIOS role in assessing internal controls in the areas audited. All audit assignments included a review of the internal controls of the areas being audited. Any internal control weaknesses found during audits were routinely brought to the attention of management for corrective action.

103. OIOS had stressed, in discussions with senior United Nations management, that reform of the Financial Regulations and Rules to suit the particular circumstances of peacekeeping operations was not warranted because the Financial Regulations and Rules provided the required principles and framework for transparency and accountability without prohibiting flexibility when needed.

104. **Mr. Aljunied** (Singapore) said he would review the lengthy responses provided by the Secretariat and return to them at a later date. He would like to ascertain whether all the questions had been adequately addressed. It seemed that some might have been omitted.

105. The written supplementary information mentioned that a briefing had been given on the Deloitte report shortly after its issuance. Unfortunately, that briefing had been held at the same time as an equally important meeting. Furthermore, the Committee had not had an opportunity to properly analyse the findings of the report. The supplementary information indicated that management had already implemented a number of recommendations which had been deemed to require immediate attention. He asked what those recommendations were and on what basis they had been considered urgent. He was confused by the response given to the question concerning the possibility of providing the Committee with a copy of the views expressed by the Assistant Secretary-General in the Office of Central Support Services on the Deloitte report. He failed to see the link between the comments made by the Department of Management to Deloitte and the issue of whether the Assistant Secretary-General's views had also been conveyed to Deloitte.

106. **Mr. Karia** (Director of the Accounts Division, Office of Programme Planning, Budget and Accounts) said that there were some 14 findings detailed in the Deloitte report. Some were classified as requiring immediate implementation, while others were classified as requiring implementation in the medium and long terms. Full details on the findings were provided in the report that was being prepared and would soon be made available to the Committee.

*The meeting rose at 12.45 p.m.*

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## Fifth Committee

**Summary record of the 57th meeting**
Held at Headquarters, New York, on Friday, 9 June 2006, at 10 a.m.

*Chairman*: Mr. Ashe ..... (Antigua and Barbuda)
*Chairman of the Advisory Committee on Administrative and Budgetary Questions*: Mr. Saha

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06-38106 (E)

*The meeting was called to order at 10.05 a.m.*

**Agenda item 145: Financing of the United Nations Stabilization Mission in Haiti** (A/60/646, A/60/728 and A/60/869)

1. **Mr. Sach** (Controller), introducing the performance report on the budget of the United Nations Stabilization Mission in Haiti for the period from 1 July 2004 to 30 June 2005 (A/60/646) and the budget for the Mission for the period from 1 July 2006 to 30 June 2007 (A/60/728), said that, against an appropriation of $379 million, total expenditure for the United Nations Stabilization Mission in Haiti (MINUSTAH) for the 2004/05 period had amounted to $377.2 million. The resulting unencumbered balance of $1.8 million, equivalent to 0.5 per cent of the appropriation, was attributable to lower emplacement travel costs for military contingents and a reduced number of rotation trips; lower staff costs, owing to the incumbency of international posts at lower grades than budgeted and the fact that almost all incumbents were Mission appointees; and lower utilization of helicopters because of the delays in deploying troops. Those savings had been partially offset by higher freight costs, owing to the airlifting of equipment for formed police units; lower than budgeted vacancy rates for civilian police; and an increase in the rate of mission subsistence allowance.

2. In the light of the provisions of General Assembly resolution 60/255 concerning liabilities and funding for after-service health insurance benefits, the proposal contained in the performance report regarding the action to be taken by the General Assembly required modification. Accordingly, the draft resolution on the financing of MINUSTAH would reflect the credit to Member States of the unencumbered balance of $1.8 million and other income in the amount of $4.8 million, in a manner to be determined by the General Assembly.

3. The budget for MINUSTAH for the period from 1 July 2006 to 30 June 2007 (A/60/728) was estimated at $490.6 million, representing a decrease of $25.9 million, or 5 per cent, compared with the appropriation for 2005/06. The decrease reflected lower ration costs; the absence of a provision for the deployment of contingent-owned equipment, owing to the projected completion of deployment in 2005/06; and reduced requirements under facilities and infrastructure, due to the projected completion of all major projects for the establishment, renovation and upgrading of accommodation facilities, seaport jetties and landing fields in 2005/06.

4. The actions to be taken by the General Assembly were described in paragraph 36 of the report. However, in the light of the provisions of resolution 60/255 concerning liabilities and funding for after-service health insurance benefits, the draft resolution on MINUSTAH would reflect the exclusion from the amount to be appropriated for the maintenance of the Mission for 2006/07 of a related provision included under common staff costs and equivalent to 4 per cent of total net salaries.

5. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions (ACABQ)), introducing the related report of ACABQ (A/60/869), said that the Advisory Committee was recommending a reduction of $385,300 in the budget for MINUSTAH for the period from 1 July 2006 to 30 June 2007. The reduction related to the Advisory Committee's recommendations on posts and consultants. In that connection, the Advisory Committee noted that the Mission continued to review post requirements and that in the budget estimates for 2006/07, the abolition of one P-4 post was proposed. It welcomed those efforts and trusted that post requirements and grades would be kept under review so as to achieve further economies.

6. The Advisory Committee recommended in paragraph 41 that interpreters should be recruited as national staff, the associated costs being significantly lower than the costs for outsourced interpreters. It further recommended approval of a request for five additional staff to provide administrative support for the new interpreter posts.

7. The Advisory Committee had previously recommended that the Administration should reduce travel costs in 2005/06. It therefore regretted the Mission's projected budget overrun during the current period and trusted that the proposed travel budget for 2006/07 would be utilized prudently and not exceeded.

8. The Advisory Committee recognized the importance of multimedia centres and the indispensability of information technology as a means of communication, particularly in unstable situations. However, it trusted that, in establishing the 10 centres proposed, the Mission would proceed on the basis of

functional requirements. It expected that updated information in that regard would be provided in the 2007/08 budget submission.

9. The Advisory Committee noted with concern that the Mission continued to resort to consultancy services for disarmament, demobilization and reintegration (DDR), although 56 posts had been made available to it for such activities. The work of the DDR programme had been focused on the preparation of studies and the establishment of a platform for future operational activities. The Advisory Committee had received no convincing information that such work could not be done by existing staff with relevant expertise. It therefore did not recommend approval of resources for consultants for the purpose of DDR.

10. **Mr. Davis** (Bahamas), speaking on behalf of the countries members of the Caribbean Community (CARICOM), said that they welcomed the return of constitutional rule to Haiti, as demonstrated by the recent election of a president and parliamentary representatives in the course of a free and fair electoral process. They also looked forward to Haiti's renewed participation in the Community's councils.

11. The road ahead would be long and difficult for Haiti. While the primary responsibility for building democracy and creating the conditions for sustainable social, political and economic development lay with the Government and people of Haiti, long-term international support would also be of critical importance. In that connection, CARICOM welcomed the practical support provided by MINUSTAH and urged its continuation, noting that the Mission's presence had been a key factor in the stabilization of the security environment and in the success of the recent elections.

12. With regard to the budget for MINUSTAH for 2006/07, the Mission was to be commended for its positive follow-up to the requests and recommendations of the General Assembly and the Advisory Committee. He noted with satisfaction that the Mission was continuing to review its staffing requirements with a view to ensuring a larger proportion of national staff. Vocational training provided to national staff made an important contribution to building long-term capacity, and the Mission should pursue its efforts in that area. Further information should be provided concerning the Mission's continued use of consultancy services for DDR and its intention to extend the duration of its responsibility for quick-impact projects. CARICOM supported the establishment of a United Nations radio station in Haiti. It also fully supported the efforts to build a permanent national election capacity.

13. A new dawn of hope had risen in Haiti, and the opportunity must not be squandered. It was important for the people of Haiti and the regional and international communities to coordinate their respective roles and inputs. Facilitating the integration of Haiti in the Caribbean Community was a priority for the countries for which he spoke. Their contribution to the efforts to assist Haiti would be constrained only by their limited resources, for there was no shortage of political will.

14. **Mr. Torres Lépori** (Argentina), speaking on behalf of the Rio Group, endorsed the statement made by the representative of the Bahamas on behalf of the countries members of CARICOM and expressed the hope that the relations between Haiti and CARICOM would be promptly re-established. Regrettably, documentation in Spanish had not been available in sufficient time for delegations to study it. The Rio Group would therefore await the Committee's next meeting to make a more detailed statement on the item.

**Agenda item 151: Financing of the United Nations Mission in the Sudan** (A/60/626, A/60/726 and Corr.1 and A/60/868)

15. **Mr. Sach** (Controller), introducing the performance report on the budget of the United Nations Mission in the Sudan for the period from 1 July 2004 to 30 June 2005 (A/60/626) and the budget for the Mission for the period from 1 July 2006 to 30 June 2007 (A/60/726), said that $222 million had been appropriated for the maintenance of the United Nations Mission in the Sudan (UNMIS) for 2004/05. Total expenditure for the same period had amounted to $218.8 million, resulting in an unencumbered balance of $3.2 million, equivalent to 1.5 per cent of the resources appropriated. The unencumbered balance was primarily attributable to delays in the deployment of contingent-owned equipment. The savings had been partially offset by additional requirements for the acquisition of prefabricated units for accommodation and airfield facilities, owing to the lack of existing infrastructure, and by the need to acquire generators, on account of the unavailability of local electricity supply.

16. As in the case of MINUSTAH, in the light of the provisions of General Assembly resolution 60/255 concerning liabilities and funding for after-service health insurance benefits, the proposal contained in the performance report regarding the action to be taken by the General Assembly required modification. Accordingly, the draft resolution on the financing of UNMIS would reflect the credit to Member States, in a manner to be determined by the General Assembly, of a total net amount of $2.8 million, comprising the unencumbered balance of $3.2 million and net losses of $0.4 million.

17. The budget for UNMIS for the period from 1 July 2006 to 30 June 2007 (A/60/726 and Corr.1) was estimated at $1,081.7 million, which represented an increase of $112.2 million, or 11.6 per cent, compared with the appropriation for 2005/06. The increase was attributable to the full deployment of international and national staff approved in the 2005/06 period, together with the phased deployment of the 83 additional international and 652 additional national posts proposed in the budget submission; the full deployment of military observers, military contingents and police personnel authorized in 2005/06; and increased provision for DDR. The increase was partially offset by reduced requirements under facilities and infrastructure, reflecting zero provision for the rental of tented camps for military personnel; reduced requirements for vehicle acquisition, major acquisitions having been carried out in 2005/06; and lower costs for aviation fuel.

18. The actions to be taken by the General Assembly were described in paragraph 38 of the report. However, in the light of the provisions of resolution 60/255 concerning liabilities and funding for after-service health insurance benefits, the draft resolution on UNMIS would reflect the exclusion from the amount to be appropriated for the maintenance of the Mission for 2006/07 of a related provision included under common staff costs and equivalent to 4 per cent of total net salaries.

19. **Mr. Saha** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of ACABQ (A/60/868), said that the Advisory Committee recommended a reduction of $594,300 in the budget for UNMIS for the period from 1 July 2006 to 30 June 2007. The reduction related to the Advisory Committee's recommendations on posts.

20. The Advisory Committee had been informed that, depending on the decision that the Security Council might take in that regard, the costs for financing UNMIS for 2006/07 might be reviewed, in which case revised estimates would be submitted for consideration by the Advisory Committee and the General Assembly. It was to be hoped that any such estimates would be submitted expeditiously.

21. The Advisory Committee trusted that, as the Mission moved into the second year of its mandate, the budget assumptions would be improved to reflect lessons learned from its operation. Lastly, it welcomed the proposal to use river transportation, which was significantly cheaper than air transport and constituted a more effective means of transport in view of the lack of road infrastructure in southern Sudan, in particular.

22. **Mr. Stone** (Australia), speaking also on behalf of Canada and New Zealand, welcomed the progress made in the region with the signing of the Abuja Peace Agreement and the subsequent dispatch of a United Nations technical assessment mission to Darfur. If a revised budget was required for the Mission, the Secretariat should draw on the experience gained over the past year during the initial set-up phase of UNMIS in preparing the budget estimates. In addition, the possible expansion of the Mission should be taken into account when recruitment and management decisions were made.

23. The size of the budget for UNMIS reflected the Mission's scope and complexity. The three delegations were grateful to the Administration for the detailed budget submission and to the Advisory Committee for its thorough analysis and recommendations, which they generally supported. The Mission was expected to be of a long-term nature, and it was therefore important to ensure the full integration of all United Nations actors in the Sudan. In that connection, the three delegations welcomed the progress made in implementing a unified workplan and the information provided in the budget submission regarding the respective roles of UNMIS and the various United Nations agencies. They encouraged the Secretary-General to continue to pursue the concept of integrated mission partnerships and to finalize the relevant policies and guidelines.

24. The three delegations welcomed the implementation in UNMIS of a results-based budgeting database, which should facilitate the recording by programme managers of progress made on

performance. Given the scale of the Mission, it was essential to establish clear lines of responsibility and accountability, so as to ensure that UNMIS could fulfil its mandate efficiently and effectively.

25. The difficulties experienced by the Mission in the timely recruitment of both national and international staff were cause for concern. The three delegations supported the use of national staff in peacekeeping missions, where possible, since it played an important role in capacity-building and in the transfer of skills to local populations. They would be interested to hear about strategies to improve recruitment processes and looked forward to a significant reduction in vacancy rates.

26. The savings achieved through the use of river transportation were most welcome. The Mission should continue to explore alternatives to air transport with a view to ensuring the most efficient use of resources. The possibility of sharing aircraft with other missions in the region should also be examined.

27. Lastly, the three delegations pledged to ensure that UNMIS had the necessary resources and structures to meet its objectives.

28. **Mr. Traystman** (United States of America) commended the Mission for its efforts thus far and acknowledged the considerable challenges that lay ahead for it. In that context, there was a need for strong leadership in UNMIS and for continued dialogue with other partners working in the Sudan. Given the size of UNMIS and its decentralized structure, his delegation would appreciate additional information on reporting and lines of communication in the Mission. In particular, it wished to know what value the proposed Field Office Liaison Cell would add to the Mission and how communication was currently facilitated. It would also welcome further details on the role of the proposed Strategic Planning Office, the functions of which appeared to duplicate those of the senior management team.

29. While many of the operational costs had decreased as expected following the initial set-up phase, the Mission was nevertheless to be commended for its continued efforts to find efficiencies. He noted, by way of example, the use of river transportation to move contingent-owned and other equipment.

30. His delegation applauded the Mission's efforts to coordinate with other United Nations entities in the Sudan and urged it to avoid duplication of effort. In that connection, it requested the Secretariat to provide a clear breakdown of the Mission's role and activities in relation to those of other United Nations system entities, indicating whether the budget reflected that division of labour. Lastly, where the DDR process was concerned, UNMIS appeared to be undertaking activities normally carried out by humanitarian agencies. His delegation would welcome clarification in that regard.

*The meeting rose at 10.50 a.m.*